

Proposed Rules  
Of  
The Tennessee Registry of Election Finance

Chapter 0530-01-01  
Campaign Financial Disclosure Rules

Presented herein are proposed rules of the Registry of Election Finance submitted pursuant to T.C.A. §4-5-202 in lieu of a rulemaking hearing. It is the intent of the Registry of Election Finance to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of the issue of the Tennessee Administrative Register in which the proposed rules are published. Such petition to be effective must be filed in Suite 1614 of the Parkway Towers Building located at 404 James Robertson Parkway, Nashville, TN 37243-1360, and in the Department of State, Eighth Floor, William R. Snodgrass Tower, 312 Eighth Avenue North, Nashville, TN 37243, and must be signed by twenty-five (25) persons who will be affected by the rule, or submitted by a municipality which will be affected by the rule, or an association of twenty-five (25) or more members, or any standing committee of the General Assembly.

For a copy of these proposed rules, contact: Drew Rawlins, 404 James Robertson Parkway, Suite 1614, Nashville, TN 37243-1360, Registry of Election Finance, (615) 741-7959.

The text of the proposed rules is as follows:

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0530-01-01-.07 PAC Annual Fee.

- (1) No later than January 31 of each year, each registered multicandidate political campaign committee (PAC) shall pay an annual registration fee of \$100.
- (2) Multicandidate political campaign committees registered by any statewide political party or a subsidiary are exempt from the annual registration fee.
- (3) Any political campaign committee that registers as a new PAC during any year shall pay the registration fee at the time of registration.

Authority: T.C.A. §§2-10-121 and 2-10-207(1).

0530-01-01-.15 Local Election Reporting.

- (1) Each county election commission shall notify the Registry of each local election held in their county at the same time that public notice is posted.
- (2) On a form prescribed by the Registry, the notice of election from the county election commission shall provide the Registry with the following information for each local election to be held: county, city (if applicable), qualifying deadline, date of election and offices on the ballot. The form shall be signed by an official from the county election commission.
- (3) For each campaign financial disclosure report required to be filed by a local candidate, the county election commission shall, on a form prescribed by the Registry, certify that all candidates have

filed the report timely or provide a list of candidates that have failed to timely file the report. The form shall be signed by an official from the county election commission.

- (4) For each candidate listed by the county election commission as failing to timely file a report, the county election commission shall provide the Registry with a copy of the original notification letter, certified notification letter, acknowledgement card from the certified letter and report (if applicable).

Authority: T.C.A. §§2-10-111 and 2-10-207(1).

#### Amendments

Paragraph (5) of Rule 0530-01-01-.02 Bookkeeping Procedures is amended by deleting the current subparagraph (a) in its entirety and adding new subparagraphs (a) and (b) so that as amended the new paragraph shall read:

- (5) A candidate or political campaign committee shall maintain the following financial records:
  - (a) A list with name, amount and date of receipt of all campaign contributions received. The list shall be able to distinguish between contributors with like names.
  - (b) Copies of checks, bank statements and vendor receipts.

Authority: T.C.A. §§2-10-105(f), 2-10-206(5) and 2-10-207(1).

Paragraph (7) of Rule 0530-01-01-.02 Bookkeeping Procedures is amended by deleting the current paragraph in its entirety and adding new paragraph (7) so that as amended the new paragraph shall read:

- (7) A candidate or political campaign committee shall maintain all accounting records and required documentation listed in paragraphs 5 and 6 for at least two (2) years after the date of the election to which the records refer or the date of the statement, whichever is later. However, if investigative procedures or a contested case hearing have been initiated against a candidate or political campaign committee, accounting records relating to a campaign account and/or a campaign financial disclosure report must be maintained by the candidate or committee until the investigation or contested case hearing has been completed and the Registry gives approval for the records to be destroyed.

Authority: T.C.A. §§2-10-105(f), 2-10-206(5) and 2-10-207(1).

Rule 0530-01-01-.02 Bookkeeping Procedures is amended by adding two (2) new additional paragraphs after paragraph (8), which shall be numbered (9) and (10) so that as amended paragraphs (9) and (10) of Rule 0530-01-01-.02 Bookkeeping Procedures shall read:

- (9) "Best Efforts" to obtain the occupation, employer and complete address for contributors includes the following:
  - (a) Notifying the contributor, by first class mail, that additional information concerning the contributor is required under state law.
  - (b) Including on a written solicitation for contributions a clear request for the contributor's name, address, occupation and employer and by accurately stating that the information is required under state law for contributions of more than one hundred dollars (\$100).
  - (c) Notifying the contributor orally, documented in writing, that additional information concerning the contributor is required under state law. The written documentation should

include the name of the person spoken to, the date of the conversation, the information provided and the telephone number, if applicable.

(10) If the occupation for any contributor is listed as “retired”, “student”, “housewife”, or “househusband” then the candidate is not required to obtain an employer.

Authority: T.C.A. §§2-10-107(a)(2)(A)(ii) and 2-10-207(1).

Paragraph (3) of Rule 0530-01-01-.04 Expenditures from Campaign Funds is amended by deleting the current paragraph in its entirety and adding new paragraph (3) so that the new paragraph shall read:

(3) When providing the purpose of an expenditure or category of expenditures as required by T.C.A. §2-10-107(a)(2)(B), a candidate or political committee shall provide a brief description of why the disbursement(s) was made. The description must clearly show that the expenditure was an allowable expense under campaign financial disclosure statutes. Examples of descriptions which shall be considered sufficient include the following: advertising, printing, phone banks and postage. However, descriptions such as miscellaneous, campaign expenditure, other expenses, advance reimbursement or credit card payment shall not be deemed sufficient.

Authority: T.C.A. §§2-10-107(a)(2)(B) and 2-10-207(1).

Paragraph (4) of Rule 0530-01-01-.04 Expenditures from Campaign Funds is amended by deleting the reference to T.C.A. §2-10-115 so that the new paragraph shall read:

(4) A candidate who is an officeholder and who has an unexpended balance of campaign contributions may expend those monies for expenses which are incidental to the candidate’s holding public office. If a candidate/officeholder incurs expenses which would exist regardless of being an officeholder, those expenses are not considered to be incidental to holding office and are not ordinary and necessary expenses incurred in connection with the office of the officeholder for purposes of T.C.A. §§2—10—114(a)(7).

Authority: T.C.A. §§2-10-114 and 2-10-207(1).

Paragraph (5) of Rule 0530-01-01-.04 Expenditures from Campaign Funds is amended by deleting the references to T.C.A. §2-10-115 so that the new paragraph shall read:

(5) Whether an expenditure of campaign funds by a candidate is made for a political purpose depends upon all the facts and circumstances surrounding the expenditure. An activity engaged in between elections by a candidate which is directly related to and supports the selection, nomination or elections of that individual to public office is considered political activity. An expense which would be incurred by an individual regardless of that person’s candidacy for public office is considered an expenditure for a nonpolitical purpose under T.C.A. §§2—10—114(b) and may not be made from the individual’s campaign funds, except as set forth in T.C.A. §§2—10—114(a).

Authority: T.C.A. §§2-10-114 and 2-10-207(1).

Rule 0530-01-01-.05 Filing of Campaign Financial Disclosure Reports is amended by deleting the current paragraphs (1), (6) and (7) in their entirety and adding the new paragraph (1) so that as amended the new rule shall read:

(1) A report filed using the Registry’s Internet filing system shall be considered timely filed if the report is filed before midnight on the due date of the report.

(2) When, because of the closeness in time between two (2) elections, a post-election campaign financial disclosure report would be filed by a candidate or political campaign committee after

the subsequent election in which the candidate or political campaign committee is also involved, no post-election campaign financial disclosure report for the first election is required to be filed by the candidate or committee.

- (3) No campaign financial disclosure statement required to be filed by the Campaign Financial Disclosure Law may be filed before the day following the ending date of the reporting period, by a candidate or political campaign committee such that there is a failure by the candidate or the political campaign committee to disclose the required campaign financial information for the full reporting period as required by law.
- (4) A document delivered to the Registry office after normal business hours shall be considered filed at the beginning of the next business day. Normal business hours shall be considered Monday through Friday (except holidays), 8:00 a.m. through 4:30 p.m.
- (5) When the filing deadline for any campaign financial disclosure statement falls on a weekend or a holiday, resulting in the closing of the Registry Office, the disclosure statement is to be filed with the Registry by the candidate or political campaign committee on the next business day.

Authority: T.C.A. §§2-1-115, 2-10-105 and 2-10-207(1).

Paragraph (4) of Rule 0530-01-01-.11 Informal Show Cause Hearings is amended by deleting the current paragraph in its entirety and adding new paragraph (4) so that as amended the new paragraph shall read:

- (4) In order for a candidate, the designee of a candidate, or committee to take advantage of the opportunity to submit a sworn statement, along with any pertinent attachments for the Registry's determination as to whether to assess civil penalties, the statement and any attachments must be received in the Registry's office no later than eight (8) days before the day of the Registry's meeting in order to have the information considered by the Registry at that meeting. A sworn statement received less than eight (8) days before the Registry's meeting will have the matter continued until the Registry's next meeting.

Authority: T.C.A. §§2-10-110 and 2-10-207(1).

#### Repeals

0530-01-01-.07 Candidates is repealed.

Authority: T.C.A. §2-10-107(1)

The proposed rules set out herein were properly filed in the Department of State on the 17th day of November, 2007, and pursuant to the instructions set out above, and in the absence of the filing of an appropriate petition calling for a rulemaking hearing, will become effective on the 28th day of March, 2008. (FS 11-16-07; DBID 2759 and 2761)